

# Internationalization Strategy for MyHelpster.com With a Focus on International Market Selection

---

Daniel da Eira Pereira 1787

A Project carried out on the Master in Management course, under the supervision of

Emmanuel Gomes

January 7, 2014

## **ABSTRACT**

International Market Selection is an important step towards a successful internationalization strategy. This is no different for startup companies like MyHelpster. This work project was intended to help MyHelpster with their internationalization process by completing the IMS portion of it. The IMS process presented in this paper lead to the conclusion that MyHelpster's next market for expansion should be the USA. In order to find as much success as possible the author suggests being patient and only expanding when the company has the necessary capital, experience and credibility. Both primary and secondary data were used to compile the qualitative and quantitative analyses.

*Keywords:* International Market Selection, Internationalization, IT Service  
Management

## TABLE OF CONTENTS

<b>Abstract</b> .....	2
<b>Introduction</b> .....	4
<b>Literature Review</b> .....	5
<b>Methodology</b> .....	8
Stage 1 .....	8
Stage 2 .....	9
Stage 3 .....	9
<b>Analysis</b> .....	10
Company Situation Analysis .....	10
Internal Analysis.....	12
Product Profile.....	12
External Analysis .....	14
International Involvement .....	17
Market Analysis .....	18
<b>Conclusion and Recommendations</b> .....	20
<b>References</b> .....	23
<b>Appendix</b> .....	25
Appendix 1: MyHelpster Meeting Log.....	25
Appendix 2: Global Readiness .....	26
Appendix 3: Market Selection Results .....	27
Appendix 4: Total Market Potential Calculations .....	29
Appendix 5: Competitive analysis.....	29

## **INTRODUCTION**

A large and quite significant facet of International Business is the study and practice of International Market Selection or IMS for short. As the world becomes more connected and more businesses internationalize the methods used to select which markets to expand to become all the more important. In fact, selecting a potential market should be the first consideration for a firm looking to internationalize. Successfully choosing the right markets can make or break the success of a firm's international endeavours.

The goal of this work project is to establish an internationalization strategy for MyHelpster, a startup founded by two students in June of 2014. MyHelpster is a remote B to C Information Technology helpdesk designed to help everyday people with their Microsoft Office problems. They are currently operating in the UK but one of their strategic objectives is to expand their service to other markets worldwide. This project will have the specific goal of applying IMS theory and selecting which market is best suited for the next step in expansion.

MyHelpster was the company of choice for two main reasons. First, one of the cofounders Bjoern suggested the use of his company as not only an interesting topic for a master thesis focused on International Business but also as a project that would add value to MyHelpster. In return Bjoern would provide 100% accessibility to all MyHelpster documents and information including interviews with both founders in order to facilitate the completion of the project. The second reason was the lack of this type of project in the literature. There are very few practical analyses of a small business' internationalization processes. In addition, the choice to focus on International Market Selection was based on it

being the most logical for MyHelpster in the infancy stage of its business and internationalization process.

While MyHelpster is already available to anyone in the world with an internet connection their limited resources has forced them to focus their marketing efforts solely on the UK. Through the IMS research that will be presented, MyHelpster will be able to decide on which market they will invest their scarce marketing resources in next to generate the most potential growth and revenue. This paper will begin with a review of the relevant IMS literature followed by an analysis with the aid of the GMMSO3 software and finally a conclusion and set of proposed recommendations.

## **LITERATURE REVIEW**

International Market Selection as an academic field aims to find how attractive different markets are relative to the companies pursuing these markets. A large portion of the research has been devoted to developing models that can be applied to a firm's specific situation.

Papadopoulos et al. (2002) is an example of a model proposed for IMS constructed as a trade-off between two key concepts; demand potential and trade barriers as well as keeping firm strategy in mind as a contingency. The model further divides the two main constructs into 4 smaller variables and applies relevant weights to each. Various weighting solutions are tested with the ultimate finding being that the one that favors demand potential has "strong predictive power for the short to medium term." According to the authors the model presented provides a significant improvement since "(a) it captures total

rather than import-only demand; (b) it is industry-specific and efficient, unlike most multiple criteria models; (c) it was tested using three different products and, unlike any previous model, using two very different exporting countries; (d) unlike econometric methods, it is generalizable across industries, and (e) it was externally validated” (Papadopoulos et al, 2002, pg. 184) However, this study like all studies of its type are imperfect due to; the deficiencies of secondary data, different data definitions in different nations, the validity of the macro values reported by these nations (Imports/GDP) and more.

Cavusgil et al. (2004) developed two models that when combined can be a very strong method of determining which is the most attractive market to internationalize to. The first is a clustering model that groups countries in homogenous groups based on macro factors that were deemed most important after an exploratory factor analysis. This model groups countries that are alike which helps managers identify which markets are akin to their domestic market and clusters of nations where similar international marketing strategies can be used. The second model ranks countries “on the basis of aggregate market potential” (Cavusgil et al 2004). The ranking model helps managers determine which countries are most attractive for investment. These models have their merits when used separately but they are more advantageous when used in conjunction. A manager can take the cluster of nations they deem most advantageous for their company and apply the ranking to determine which of these countries will be of top priority for them.

In addition to proposed models there have been studies that with the aim of determining how managers actually go about deciding on which market to export to. As

outlined by Robertson and Wood (2001) which used classic decision making theory as their template to study and present the empirical results of a study designed to find what guides international managers in their export decision making. It examines how important foreign market information is to these managers when choosing what market to internationalize to. Robertson and Wood (2002) found that International managers find information about market potential and the nation's legal environment as most important and curiously, contrary to what is written in much of the IMS literature "information related to the overall culture environment was perceived as the least important by managers" (Robertson & Wood, 2002, p.376). This finding raises two questions: Is there a gulf between what information managers use and what should be used? Or, is all the effort put into studying cultural similarities unnecessary?

While going through the papers and topics presented above it became evident that this research focused mainly on medium to large and mostly industrial companies. This did not fit well with the topic of this paper as its purpose is to develop an internationalization strategy for MyHelpster. This problem was addressed by Westhead et al (2002) when they aimed to study how small and micro firms internationalize. This is a novelty in the literature as most academic papers and models focus solely on large firms in established industries. The purpose of the paper was to offer policy-makers information on how they can better help these firms sell their products and services abroad as well as if exporting improved the chances of survival for these. Westhead et al (2002) compiled and analyzed data for the period between 1990 and 1997. The authors found that, contrary to what was expected, firms who exported did not have a better chance at survival than those who did

not. It is also obvious that small and micro firms do not have the resources necessary to internationalize effectively. The report also found that when they do export, both small and micro firms failed to conduct an analysis before choosing an entry mode. Instead they defaulted to direct exporting because it allows them to keep control of their resources.

In summary, there is a large amount of models and useful theory can be applied by MyHelpster given the proper context is considered when doing so. The models presented by Papadopoulos et al. (2002) and Cavusgil et al. (2004) provide a concrete and practical way of clustering, ranking and ultimately selecting the best market based on the criteria specific to MyHelpster. The insights into what managers consider important presented by Robertson and Wood (2001) offer a good background into how companies go about their internationalization. Special attention should be paid to what mistakes managers are taking in this process as to not repeat them, for example the neglect of how cultural factors can negatively affect the internationalization process. And finally Westhead et al (2002) provides insight into the obstacles faced by micro and small firms which is how one would classify MyHelpster.

## **METHODOLOGY**

### **STAGE 1**

The first stage of this project was to gather qualitative by interviewing the two co-founders of MyHelpster, Bjoern Wind and Felix Strasser. These interviews were conducted over Skype and used as the basis for internal analysis of the company. In addition to the interviews MyHelpster also provided internal documents like business plans and presentations which also aided the completion of the analysis. This internal analysis was



used to match MyHelpster to the market that best serves its goals and capabilities. A comprehensive log of the meetings with notes on what was discussed is in [Appendix 1](#).

## STAGE 2

The second stage of the project was to gather secondary data used to evaluate the various markets being considered for internationalization. This step is essential in order to quantitatively demonstrate the potential of the various markets in comparison to one another. This data was put into the GMMSO software which aggregated and established rankings of the 5 countries shown in order from most to least attractive. The databases used to find this secondary data were mainly national websites dedicated to census data (E.g. [www.census.gov](http://www.census.gov) for the USA, [www.statscan.gc.ca](http://www.statscan.gc.ca) for Canada.) In addition to these resources, databases that aggregate national data into one place were also used like [stats.oecd.org](http://stats.oecd.org) and the OECD better life index [www.oecdbetterlifeindex.org/countries](http://www.oecdbetterlifeindex.org/countries). Specific databases like [www.internetlivestats.com](http://www.internetlivestats.com) and [www.doingbusiness.org/data/rankings](http://www.doingbusiness.org/data/rankings) were used for data on the number of internet users and the ease of doing business rankings respectively. Both these ranking websites use data from the World Bank Group.

## STAGE 3

The third stage was to use the all gathered data and analyse it with the help of the GMMSO3 software. The GMMSO, as defined on their own website “is a research and strategic planning management tool designed to help your company enter or expand its presence into foreign markets.” ([www.gmmso3.com](http://www.gmmso3.com)) This software was used mainly to

structure the analysis in order for it to be clear and concise and come to logical conclusions that could then be analyzed. The software splits the project into 4 modules:

1. Conduct a company situation analysis in a global context.
  2. Identify countries with high market potential for your products/services.
  3. Conduct an in-depth market/competitive analysis and select the best country market.
  4. Determine best entry mode strategy and develop the marketing plan.
- (www.gmmso3.com)

For the purpose of this project only Modules 1, 2 and sections of 3 were used as the entry mode is outside of the proposed project scope. The process of applying the software to the project was simply inputting the data collected into the pre-constructed tables and frameworks.

## ANALYSIS

### COMPANY SITUATION ANALYSIS

Industry	IT Service Management
Company Name	MyHelpster
Company Contact Name	Bjoern Wind
Website	<a href="http://www.myhelpster.com">www.myhelpster.com</a>
E-mail Address	<a href="mailto:info@myhelpster.com">info@myhelpster.com</a>
Address	1 E Poultry Ave
City	London
Zip Code/Postal Code	EC1A 9PT
Country	United Kingdom
Currency	British Pounds £

TABLE 1: BASIC COMPANY INFORMATION

MyHelpster is a tech startup that was founded in 2014 by two childhood friends from Germany. While they were students they, like so many others often had problems with

Microsoft Office. Whether it was problems formatting a Word document or creating a graph in Excel something always seemed to show up at the worst of times. They often found themselves with no luck finding a solution or spent hours stuck on a problem they simply could not figure out. Both Bjoern and Felix (the co-founders) felt that there was an opportunity here, a service that could be built and sold and so they set out to fix the problem.

Their mission is to “Become people's first choice when they want convenient help, first in the UK and then in the whole English speaking world.” In order to accomplish this they will “Establish a B2C contact centre, which solves people's problems remotely with office suites, by an IT or software expert from abroad.” The service is available to customers 24/7/365 on a £5 per solution basis, hence no subscription.

MyHelpster's main goal is to establish a service, which acclimates their customers to instant and convenient help with standardized quality, so that they intuitively contact MyHelpster in case of a problem. MyHelpster plans to develop a help App and office tool bar in the near future in order to reach this goal. Also productivity suites serve only as a lean go-to-market strategy, the plan is to expand and diversify the service offering to other software, technologies, and eventually the full spectrum known as the ‘internet of things’.

At a corporate level MyHelpster is a single business. All of its revenue comes from the help desk service. It is a small startup company, therefore it limited in terms of scope. Their business level strategy lies in the difference between their service and that of the competitors. MyHelpster's differentiation lies in the fact that customers would not have to make a subscription in order to use the service, lower prices than the competition and faster more personal service. The competitors in the market can be grouped into three sets: those

that offer the service with a subscription of an average \$180/year, a question and answer service costing \$30-\$80 per solution, and freelancer market places where people can hire a freelancer from anywhere in the world to complete their task. MyHelpster's pricing strategy consists of a flat fee of £5 per problem solved by their professional “helpster”.

## INTERNAL ANALYSIS

### PRODUCT PROFILE

This service is geared toward helpless PC users from mainly the baby boomer generation that normally use search engines to find solutions to their tech and software problems but end up having trouble understanding and applying the written answers they find. These end users are characterized as having a relatively large amount of disposable income and lower expectations than their younger and more tech savvy counterparts. Time=Money therefore it is better to spend £5 and get quick help than spend 2 hours scouring the internet for your answer. Special consideration is to be paid to those in this group that are free lancers or own their own SME as they often need quick, cost-efficient tech help.

The advantages MyHelpster has over their competitors are their 30 minute service time and low price of £5 per solution, while its greatest disadvantage is the difficulty in attaining the trust of new customers. Getting a customer's trust is difficult because the internet is chock-full of scams that steal people's money and personal information. In addition to this MyHelpster finds itself in the introduction phase of both the product and industry life cycles. This phase is characterized by rapid growth both at a micro (domestic) and macro (international) level.

MyHelpster has a few strengths that they can use to assist them in reaching these customers and acquiring market share. The first is their niche in the market. While there are many services offering IT help there are none quite like MyHelpster. Another strength they possess is how lean their management is. They benefit from having a small management team focused on the specific services they offer. This ensures they will not over-extend themselves and risk losing money from growing too fast and trying to do too much. In addition to this their network and mentor in the Philippines is excellent. This is vital to ensure their call center is run smoothly and to the standards set out by MyHelpster. Lastly, MyHelpster has been able to target their online marketing campaigns so that they can access very specific customers that have the problems that MyHelpster can help with. This skill is a definite strength because targeting their marketing effectively ensures they are getting the best value for the money they invest in online marketing.

Nevertheless, there are still various weaknesses for MyHelpster to work on. The first is their inexperienced management team. There is no veteran presence with experience that can guide MyHelpster's young executives in the right direction. This is mainly attributable to the high cost associated with hiring someone like this, and MyHelpster's inability to spend much on wages due to their low capital. MyHelpster has raised about £20,000 in funding from family and friends as well as a £8,000 loan from Virgin startup. However this is not enough to invest in more ambitious projects that could assist in the company's growth.

To conclude the internal analysis GMMSO has a series of questions answered with a rank from 1-5. The table with the criteria and values is shown in [Appendix 2](#). The

questions asked were designed by GMMSO to see if the company is ready to expand abroad and suggest an entry mode. The result was a score of 88 out of 110 (80%). Based on this score the software determines that MyHelpster is ready for international expansion and suggests using a foreign marketing presence to do so.

## EXTERNAL ANALYSIS

In order to have a thorough idea of the market and the situation MyHelpster is in an external analysis was conducted. As part of this external analysis a Porter's five forces analysis was completed.

### Threat of new entrants – High

There are very little barriers to entry in this market other than Capital requirements which are not all that significant, and product differentiation. MyHelpster's service offering is definitely different from the rest of the market but is also quite imitable. Factors that create barriers like intellectual property, brand equity, switching costs, user base, and search engine rankings are all in progress but not established enough yet to consider them barriers to potential new entrants.

### Threat of substitutes - Moderate

There are many known substitutes for the help desk service. One can search the web or call a friend for help however both these substitutes are time consuming and impractical. Spending hours searching the internet and reading through how-to videos is nerve-racking and asking a friend every time you have a tech issue can be draining on a relationship. The substitutes are out there but are not as viable as MyHelpster's service.

#### Determinants of supplier power – Low

The only "supplier" MyHelpster works with is Brother Industries Limited. MyHelpster uses Brother's OmniJoin software to connect the helpster or technician to the customer's computer. MyHelpster pays Brother a monthly fee for the service. Brother's supplier power is quite low because there are various other providers of the same or similar software like Citrix's GoTo Meetings, and Cisco's WebX. While Brother can raise its prices this is unlikely due to the aforementioned competition and low switching costs from platform to platform.

#### Determinants of buyer power - High

Buyer power is very low for MyHelpster because the service is offered to such a large market. There are about 1.1bn users of the Microsoft Office suite worldwide, roughly 62 million of these users fall into MyHelpster's target market. Therefore, there are many potential users of the service and thus the buyers' ability to drive down prices is very limited.

#### Determinants of competitive rivalry - Moderate

While there are 29 other companies online offering a similar service none of them are close enough to MyHelpster's offering to be considered rivals. Those 29 other companies can be divided into 4 categories: 12 companies known to be scams, 2 Question and Answer companies that answer questions for customers within a 24h period at an average price of \$30 per question answered; 9 Tech Support companies that are most similar to MyHelpster but only offer help to customers with a subscription which average \$180/ year; and finally 4

Expert/freelance Marketplaces where customers connect with experts and freelancers to solve their problems, prices vary from \$5 to \$80 based on the quality of the freelancer and the complexity of the problem.

In addition to the Porter's five forces a comprehensive list of possible opportunities and threats was also used to analyze MyHelpster's external environment. There are two clear opportunities in the market for IT services. The first and most important is the sheer growth opportunities. A case study by Aranca business research estimates that by the end of 2014 the market will grow to over \$3 billion (Aranca 2012). The sheer size of the market makes it one that is attractive for MyHelpster and others to work in. The other opportunity is the chance to expand the offering into help for anything and everything attached to the internet, or "the internet of things". This expands the potential market even further and provides MyHelpster more potential revenue sources.

In addition to the opportunities there are also threats that MyHelpster must be aware of. The first is their dependence on the Filipino market. Any sudden shock to the political or business landscape can cause serious problems to MyHelpster. The Philippines is the home of their call center and thus the home of the all-important technicians that make the service possible. Any disruption to this could paralyze MyHelpster. The other threat is the sheer amount of substitutes available to consumers. One can call a friend or ask a family member for help, or even spend an hour or two scouring the web for answers to their problems. In fact search engine algorithms are becoming better and better which makes searching the web for answers a lot easier. Even though these solutions are not exactly ideal they are free and can be just as effective.



## INTERNATIONAL INVOLVEMENT

	MyHelpster	iYogi	Fiverr	Pearl.com
<b>Method of Involvement</b>				
- E-Commerce	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
- Offshore call centres	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>		
<b>Organization of Int. Function</b>				
- No current Int. Function	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
<b>International Experience</b>				
- 5 or more years		<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
- Less than 5 years	<input checked="" type="checkbox"/>			

TABLE 2: LEVEL OF INTERNATIONAL INVOLVEMENT

MyHelpster's international involvement is similar to that of their most relevant competitors. All four companies engage in e-commerce to sell their services. This makes sense since these services offer tech help and therefore should be easily accessible online. In addition to their service being sold online MyHelpster is also involved internationally through their offshore call centre in the Philippines. This is where the professional helpsters work to help customers fix their various tech issues. Of their competitors iYogi is the only one with an offshore call center. Theirs is based in India (<http://www.iyogi.ca/about-us/our-story.html>), like MyHelpster this is where their technicians answer customer queries.

When it comes to the organization of their international function, none of the four companies have a dedicated international department. These companies are global firms so their work is always done in a global context. Therefore there is no need to separate their departments based on international or domestic functions. Lastly, all three of MyHelpster's competitors have five or more years of experience working in a global marketplace. MyHelpster is clearly behind in this aspect as they were founded only six months ago.

## MARKET ANALYSIS

The next step in the analysis was to evaluate potential countries to determine which one would be the most favourable for MyHelpster to spend marketing resources in. The chosen nations were: 1) United States 2) Canada 3) Australia 4) United Kingdom 5) Germany. The nature of the service offered by MyHelpster dictates that the countries selected for the analysis be English speaking nations. Further to this the selected countries must have enough SMEs and people with disposable income to spend on the service. These two initial screening criteria eliminate nations with large English speaking populations like India, Pakistan, Nigeria, and the Philippines. The Criteria used to screen the 5 countries chosen for analysis are presented in the table below. These criteria were chosen in conjunction with MyHelpster contacts as the most relevant to their company.

Major Criteria	Sub Criteria
Demographics	Household Income English Speaking Population Number of Small Business
Economic Criteria	Disposable Income
Infrastructure	Internet Users
Political/Legal Environment	Ease of doing business country rank

TABLE 3: SELECTION CRITERIA

The complete table with the values and rankings for these criteria applied to the five nations is in [Appendix 3](#). After running the numbers through the software the ranking of countries was as follows: USA first, Germany second, the UK third, Australia fourth and finally Canada fifth. The US ranked first in all 6 criteria and was clearly ahead of all the other markets. Perhaps a bit surprisingly Germany came in second with strong values for both household income and number of internet users. It is also important to note that

although English is not an official language of Germany they had the third largest English speaking population of this group. This fact has revealed German as a market that should definitely be considered even though it had previously been deemed unfavourable by MyHelpster.

An important part of the market analysis is determining the market sales potential. In order to do so the field of five countries was narrowed down to two, the US and Germany. These were chosen because they were clearly the most favourable markets for MyHelpster after considering the various criteria and using the GMMSO software to run the numbers. The following table shows the calculations done to calculate total market potential. The number of potential customers uses the number of internet shoppers as its base number because it is assumed these consumers will be most likely to pay for online services. (see Appendix 4 for clarity)

	<b>USA</b>	<b>Germany</b>
a = Number of Potential (eligible/qualified) consumers:	55,419,000.00	12,557,000.00
b = Frequency of Purchase on annual basis	7	7
c = selling price of the product	£5	£5
= Total Market Potential	1,939,665,000	439,495,000

	<b>USA</b>	<b>Germany</b>
Total Market Potential	1,939,665,000	439,495,000
Desired Market Share	20%	30%
= Company Sales Potential	387,933,000	131,848,500

**TABLE 4: TOTAL MARKET POTENTIAL**

A full breakdown of the numbers is in Appendix 4. The market shares used above are best case scenario numbers. Acquiring a 20% market share would put MyHelpster up next to the top echelon of tech companies. However, if the market continues to grow as it has these numbers are not completely out of the realm of possibility. The desired market share in Germany is higher because of the management's knowledge of that market and its dynamics. Both co-owners lived the majority of their lives in Germany. This gives them market insights and connections that companies from outside Germany would not have.

To conclude the market analysis a simple competitive analysis was put together. The table in [Appendix 5](#) lists and compares the most relevant competitors to MyHelpster. While there are various competitors for each type of service (freelancer, Question and Answers etc.) the three chosen are the most significant and those closest to MyHelpster's service offering. They all have an established presence in the market thus if MyHelpster has aspirations of achieving relevant amounts of market share they will need to catch up to these companies. A quick glance at the numbers shows that MyHelpster has a lot of catching up to do to reach the levels of traction (monthly site visits) and capital of their competitors. However, they do offer a better service at a lower price therefore the potential to steal market share is present.

## **CONCLUSION AND RECOMMENDATIONS**

In conclusion, this work project attempts to provide insight into the International Market Selection process of small a startup still in the introductory phase of their business. It also sets out to provide a practical example of this IMS process for MyHelpster.com. The

paper began with a literature review that underpinned the theory behind IMS practices. This was followed by the methodology chapter which explained how the analysis was developed. Then the in-depth analysis was conducted with the aid of the GMMSO software.

After careful consideration of all the variables it is quite clear that the United States is the ideal market for further expansion of MyHelpster. The familiarity with the German market coupled with it being large enough to create significant growth had made it a serious candidate however a few small details dictated that the US be chosen. The first is, even though there are over 42 million English speakers that could use the service the vast majority still use software set up in German, their native tongue. This small but vital detail could render the service unusable for these people because the helpsters can't work with software that is in a language they are not familiar with. The other detail that makes the US the obvious choice is the sheer market size MyHelpster would have to work with. The US is the original consumer society with an English speaking population of nearly 270 million people the sky is quite literally the limit. In fact just 1% market share, as calculated with the numbers in the market analysis section, would generate revenues of over £20M.

The numbers presented above cannot be ignored, they represent a significant opportunity for MyHelpster to explore and take advantage of. However, doing so in the right way at the right time is the key to success. My first recommendation for MyHelpster would be to practice patience. This goes against what the results found in GMMSO global readiness analysis which are outlined in [Appendix 2](#). However, jumping into the US market without the necessary processes at both the management and operations (call center) levels

would be a bad idea. Imagine if the demand for MyHelpster went through the roof soon after launching some US marketing campaigns and the call center was not ready to handle the extra customers. The 30 minute service promised on the website becomes difficult or impossible to achieve thus getting MyHelpster off on the wrong foot immediately. This could prove to be fatal to any hopes of establishing a foothold in the US market. Additionally, their current market, the UK, has enough potential to create growth and revenue that will help raise capital, experience, and create credibility for MyHelpster. Expanding without enough of the three aforementioned factors could very well be fatal for any hopes of establishing an international presence.

Once the timing is right and expansion is to commence the first step would be to create multi-regional websites for the different regions served. In this specific case creating one catered to the US consumer with prices in USD and content that better relates to the American consumer. This is a small detail that can really go a long way to gaining trust with potential American customers. Another recommendation for the website is to make some improvements. The current website is too difficult to navigate and information on exactly what services are offered. The website is the first point of contact with potential customers therefore it must be a point of focus.

My last recommendation for MyHelpster would be to consider outsourcing their call center operations and focus solely on the marketing of their service. Further analysis would have to be made in order to determine whether this would save the company money. Nevertheless, the benefits of having the management focused solely on marketing can be enough to accept paying more for call center services. As Dhar says “Outsourcing allows

these companies to keep their business focus and brings about efficiency and productivity.”  
(Dhar 2011)The agreement would have to be made in a way that ensures that the quality control is up to MyHelpster’s standards in order for this to be feasible.

## REFERENCES

Andersen, O., & Buvik, A. (2002). Firms’ internationalization and alternative approaches to the international customer/market selection. *International Business Review*, 11(3), 347-363.

Australian Small Business: Key Statistics and Analysis, © Commonwealth of Australia 2012, [www.treasury.gov.au](http://www.treasury.gov.au)

Brewer, P. (2001). International market selection: developing a model from Australian case studies. *International Business Review*, 10(2), 155-174.

Business Population Estimates for the UK and Regions, © Crown copyright 2012, [https://www.gov.uk/government/uploads/system/uploads/attachment\\_data/file/80247/bpe-2012-stats-release-4.pdf](https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/80247/bpe-2012-stats-release-4.pdf)

*Business Summary 17-07* © MyHelpster 2014

Cavusgil, S. T., Kiyak, T., & Yeniyurt, S. (2004). Complementary approaches to preliminary foreign market opportunity assessment: Country clustering and country ranking. *Industrial Marketing Management*, 33(7), 607-617.

Dhar, S. (2011). From Outsourcing To Cloud Computing: Evolution of IT Services. *International Technology Management Conference*

Ease of Doing Business Rank, © 2014 The World Bank, <http://www.doingbusiness.org/data/exploreeconomies/>

Enterprise and Industry SBA Fact Sheet 2012 Germany, © European Commission 2012, [http://ec.europa.eu/enterprise/policies/sme/facts-figures-analysis/performance-review/files/countries-sheets/2012/germany\\_en.pdf](http://ec.europa.eu/enterprise/policies/sme/facts-figures-analysis/performance-review/files/countries-sheets/2012/germany_en.pdf)

Gaston-Breton, C., & Martín, O. M. (2011). International market selection and segmentation: a two-stage model. *International Marketing Review*, 28(3), 267-290.

Gomes, E., Barnes, B. and Mahmood, T. (2014) ‘A 22 Year Review of Strategic Alliance Research in the Leading Management Journals.’ *International Business Review*. DOI: 10.1016/j.ibusrev.2014.03.005.

Internet Live Stats, © Copyright internetlivestats.com

Key Small Business Statistics-Archived, © Statistics Canada 2012, <http://www.ic.gc.ca/eic/site/061.nsf/eng/02715.html>

OECD Better Life Index, © OECD, <http://www.oecdbetterlifeindex.org/countries/>

Opportunity assessment for Remote Technical Support Services for consumers / SOHO segment in USA, © Aranca 2012, <http://www.aranca.com/downloads/case-studies/business-research/vertical-expertise/opportunity-assessment-for-remote-technical-support-electronics-and-information-technology-br-case-study.pdf>

Papadopoulos, N., & Martín, O. M. (2011). International market selection and segmentation: perspectives and challenges. *International Marketing Review*, 28(2), 132-149.

Papadopoulos, N., Chen, H., & Thomas, D. R. (2002). Toward a tradeoff model for international market selection. *International Business Review*, 11(2), 165-192.

*Presentation for UK Elevator Pitch*, © MyHelpster 2014

Regional Household Income, © OECD, <http://stats.oecd.org/>

Robertson, K. R., & Wood, V. R. (2001). The relative importance of types of information in the foreign market selection process. *International Business Review*, 10(3), 363-379.

Sakarya, S., Eckman, M., & Hyllegard, K. H. (2007). Market selection for international expansion: Assessing opportunities in emerging markets. *International Marketing Review*, 24(2), 208-238.

Small Business Facts, © SBE Council, <http://www.sbecouncil.org/about-us/facts-and-data/>

Westhead, P., Wright, M., & Ucbasaran, D. (2002). International market selection strategies selected by 'micro' and 'small' firms. *Omega*, 30(1), 51-68.



## APPENDIX

### APPENDIX 1: MYHELPSTER MEETING LOG

<u>Date</u>	<u>Contact</u>	<u>Start Time</u>	<u>End Time</u>	<u>Notes</u>
<b>July 4/14</b>	Bjoern Wind	13:45	13:18	<ul style="list-style-type: none"> <li>- Discussed project scope and decided focus should be on IMS</li> <li>- Briefly discussed possible methodologies</li> <li>- Created shared Dropbox folder in order to exchange information</li> </ul>
<b>July 15/14</b>	Felix Strasser	15:00	15:16	<ul style="list-style-type: none"> <li>- Explained the project's scope to Felix</li> <li>- Discussed possible methodologies</li> <li>- Felix answered questions about elevator pitch document shared on Dropbox</li> </ul>
<b>July 23/14</b>	Felix & Bjoern	15:05	15:37	<ul style="list-style-type: none"> <li>- Discussed progress of Literature Review including ideas that could be implemented in MyHelpster</li> <li>- Decided that project will focus solely on IMS; leave next steps (market-entry, and marketing plan) for later</li> </ul>
<b>Aug 19/14</b>	Felix & Bjoern	19:02	20:14	<ul style="list-style-type: none"> <li>- Thorough discussion of company's strengths and weaknesses</li> <li>- Challenged everything and ask for proof wherever possible</li> <li>- Difficult interview; Agreed to monitor strengths and weaknesses over time</li> </ul>
<b>Sept 9/14</b>	Bjoern	14:00	14:52	<ul style="list-style-type: none"> <li>- Discussed and established the target customers &amp; final product profile</li> <li>- Discussed list of 5 potential markets (no other really viable ones)</li> <li>- Established final project methodology and outline</li> </ul>
<b>Nov 13/14</b>	Felix & Bjoern	15:52	16:30	<ul style="list-style-type: none"> <li>- Demonstration of strengths through achievement of relevant milestones since August, and successful online ad campaigns.</li> <li>- Addressed weaknesses again</li> <li>- Discussed Porters 5 forces analysis</li> </ul>

<b>Dec 8/14</b>	Bjoern	16:27	16:51	<ul style="list-style-type: none"> <li>- Final details discussed and ironed out i.e. most relevant competitors, 2014 sales numbers, how MyHelpster works with Brother Industries</li> <li>- Discussed market opportunities and threats</li> <li>- Mission and Vision statements</li> </ul>
-----------------	--------	-------	-------	--

\* All times are GMT (Lisbon time)

## APPENDIX 2: GLOBAL READINESS

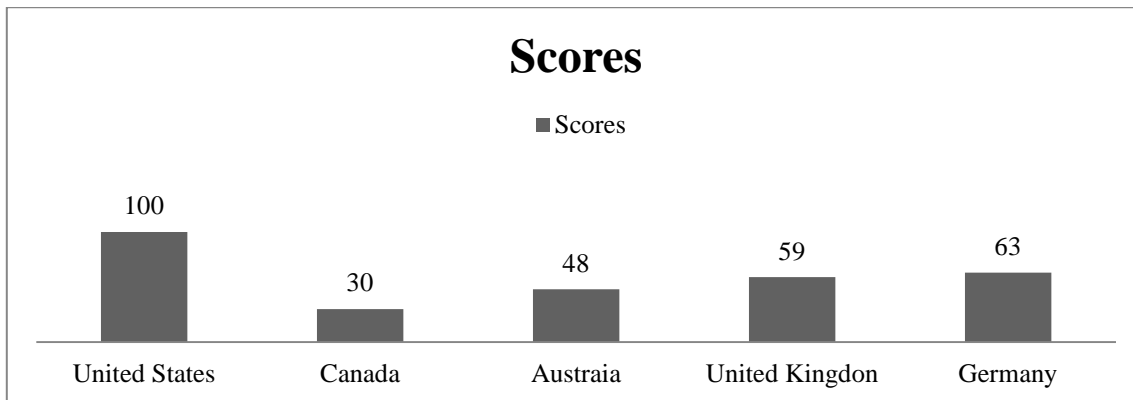
Criteria	Rank
Is the foreign market similar to the domestic market?	4
Is the end user of the product in the foreign market the same as in the domestic market?	5
Is the product successful in the domestic market?	3
Is the product unique?	4
Does the product perform the same function in the foreign market as it does in the domestic market?	5
Are the product use conditions the same in the foreign market as they are in the domestic market?	5
Does the product need modifications to meet the needs of the customers in the foreign market?	4
What is the stage of the product's life cycle in the home market?	5
What is the stage of the product's life cycle in the international market?	5
Does the product require after-sales service?	5
Is the company in a position to provide after sales-service to its customers in the foreign market?	5
Would export orders hurt domestic sales?	5
Does the company have the financial resources necessary for export?	1
Does the company have in-house personnel with export related knowledge/experience?	2
Is international/global participation part of the mission statement of your company?	5

Is international expansion a part of the strategic business plan of the company?	5
Would the company be willing to investigate export market opportunities?	5
Would the company be willing to attend and/or participate in trade shows abroad?	3
Is the company willing to translate company literature into one or more foreign languages?	4
Are the company's top competitors involved internationally?	2
Is the industry highly regulated?	5

### APPENDIX 3: MARKET SELECTION RESULTS

Criteria	Variable	Year	Unit	Weight
Demographics	Disposable Household Income	2011	Millions USD, Current PPP, current Prices	5.00
<b>Country</b>		<b>Value</b>		<b>Rank</b>
United States		10.814.985		1
Canada		778.417		4
Australia		608.880		5
United Kingdom		1.265.246		3
Germany		1.992.765		2
Demographics	# of Small Businesses	2011	N/A	15.00
<b>Country</b>		<b>Value</b>		<b>Rank</b>
United States		5.680.000		1
Canada		1.100.779		4
Australia		530.248		5
United Kingdom		4.787.650		2
Germany		2.032.368		3

Demographics	English Speaking Population	2011	N/A	10.00
<b>Country</b>		<b>Value</b>		<b>Rank</b>
United States		267.444.149		1
Canada		25.246.220		4
Australia		17.357.833		5
United Kingdom		59.600.000		2
Germany		46.272.504		3
Economics	Disposable Income	2013	USD per Capita	40.00
<b>Country</b>		<b>Value</b>		<b>Rank</b>
United States		39.531		1
Canada		23.938		5
Australia		31.197		2
United Kingdom		25.828		4
Germany		30.721		3
Infrastructure	Internet Users	2014	N/A	20.00
<b>Country</b>		<b>Value</b>		<b>Rank</b>
United States		279.834.232		1
Canada		33.000.381		4
Australia		21.176.595		5
United Kingdom		57.075.826		3
Germany		71.727.551		2
Political/Legal Environment	Ease of doing business	2014	Rank	10.00
<b>Country</b>		<b>Value</b>		<b>Rank</b>
United States		7		1
Canada		15		5
Australia		10		3
United Kingdom		9		2
Germany		13		4



#### APPENDIX 4: TOTAL MARKET POTENTIAL CALCULATIONS

Calculations for Total Market Potential							
				USA		Germany	
Total # of internet shoppers				191,100,000.00		43,300,000.00	
1/3 experienced computer related problems				63,700,000.00		14,433,333.33	
13% used pro service for help				8,281,000.00		1,876,333.33	
Potential Consumer Market				55,419,000.00		12,557,000.00	
Plus # SMB				5,680,000.00		2,032,368.00	
28% of these use pro services				1,590,400.00		569,063.04	
Potential SMB customers				4,089,600.00		1,463,304.96	
Total Market Potential				59,508,600.00		14,020,304.96	
US Numbers	<a href="http://www.statista.com/statistics/183755/number-of-us-internet-shoppers-since-2009/">http://www.statista.com/statistics/183755/number-of-us-internet-shoppers-since-2009/</a>						
German Numbers	<a href="http://www.statista.com/statistics/251639/number-of-digital-buyers-in-germany/">http://www.statista.com/statistics/251639/number-of-digital-buyers-in-germany/</a>						
Percentages from MyHelpster internal survey+online research							

#### APPENDIX 5: COMPETITIVE ANALYSIS

	My Helpster	iYogi <sup>i</sup>	Fiverr <sup>ii</sup>	Pearl.com <sup>iii</sup>
Type of Service	Remote BtoC IT Helpdesk	Tech Support	Freelancer Marketplace	Question & Answer Service
Price	£5/problem	Subscription \$180/year	From \$5 up to \$500/problem	\$30/question answered
Monthly Website Visits <sup>iv</sup>	8,000	960,000	5,000,000	10,500,000
Resources (Capital raised)	30,000	85,600,000	20,000,000	50,700,000

- 
- <sup>i</sup> Yogi information from <http://www.iyogi.ca/>
  - <sup>ii</sup> Fiverr information from <https://www.fiverr.com/>
  - <sup>iii</sup> Pearl.com information from <http://www.justanswer.com/>
  - <sup>iv</sup> All web traffic data from [www.similarweb.com](http://www.similarweb.com)